

e must first attempt to resolve it by contacting you. If the dispute cannot be satisfactorily resolved within sixty days from the date you or AT&T is notified by the order of a dispute, then either party may then submit the AAA in writing at AAA Service Center, 134555 Noel Road, Suite 1730, Dallas, Texas 75240-6620 and request arbitration of the dispute. Information about the arbitration process and the AAA's Arbitration Rules and its fees are available from the AAA on the Internet at: www.adr.org; or by contacting us at www.adr.org or by e-mailing us at www.adr.org. Based only on the written submissions of the parties and the documents submitted to the AAA relating to the dispute, unless either party requests that the arbitration be conducted using the AAA's electronic online, or in-person procedures. Additional charges may apply for these procedures. Any in-person arbitration will be conducted at a location that the AAA selects in the state of your primary residence. Any arbitration shall remain confidential. Neither you nor AT&T may disclose the existence, content, or results of any arbitration or award, except as may be required by law, or to confirm and enforce a award.

ANY CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT WITHIN TWO YEARS AFTER THE DATE THE BASIS FOR THE CLAIM OR DISPUTE FIRST ARISES.

f. Fees and Expenses of Arbitration. You must pay the applicable AAA filing fee when you submit your written request for arbitration to the AAA. The AAA's filing fee and administrative expenses for a document arbitration will be allocated according to the AAA's Rules, except that for claims of less than \$1,000, you will only be obligated to pay a filing fee of \$20 and we will pay all of the AAA's other costs and fees. If you elect an arbitration process other than a document (or "desk") arbitration, you must pay your allocated share of any higher administrative fees and costs for the process you select. Unless applicable substantive law provides otherwise, each party will pay its own expenses to participate in the arbitration, including attorneys' fees and expenses for witnesses, document production, and presentation of evidence. The prevailing party may, however, seek to recover the AAA's fees and the expenses of the arbitrator from the other party.

g. MISCELLANEOUS.

a. No Third Party Rights. This Agreement does not provide any third party with a remedy, claim, or right of reimbursement.

b. Acts Beyond Our Control. Neither you nor we will be responsible to the other for any delay, failure in performance, loss or damage due to fire, explosion, power blackout, earthquake, volcanic action, flood, the weather elements, strike, embargo, labor disputes, civil or military authority war, acts of God, acts or omissions of carriers or suppliers, acts of regulatory or governmental agencies, or other causes beyond our reasonable control, except that you must pay for any Services used.

c. Assignment. We can assign all or part of our rights or duties under this Agreement without notifying you if we do that we have no further obligations to you. You may not assign this Agreement or the Services without our prior written consent.

d. Notices. Notices from you to AT&T must be provided as specified in this Agreement. Notice from you to AT&T made by calling AT&T is effective as of the date that our records show that we received your call. AT&T's notice to you under this Agreement will be provided by one or more of the following: posting on our Web site, recorded announcement, bill message, bill insert, newspaper, ad, postcard, letter, call to your billed telephone number, or e-mail to an address provided by you.

e. Separability. If any part of this Agreement is found invalid, the rest of the Agreement will remain valid and enforceable.

f. Governing Law. This Agreement will be governed by the law of the State of New York, without regard to its choice of law rules, except that the arbitration provisions in Section 7 will be governed by the Federal Arbitration Act. This governing law provision applies no matter where you reside or where you use or pay for the Services.

g. Entire Agreement. This Agreement (which incorporates by reference the AT&T Service Guides) constitutes the entire agreement between us and supersedes all prior agreements, understandings, statements or proposals, and representations, whether written or oral. This Agreement can be amended only as provided in Section 9 below. No written or oral statement, advertisement, or service description not expressly contained in the Agreement will be allowed to contradict, explain, or supplement it. Neither you nor AT&T is relying on any representations or statements by the other party or any other person that are not included in this Agreement.

9. CHANGES TO THIS AGREEMENT.

This Agreement may only be changed in the manner provided for in this Section 9.

We may change this Agreement, including the incorporated AT&T Service Guides, from time to time. If we make any changes to the prices or charges, we will comply with our notice commitments described in Section 1 of this Agreement. With respect to all other changes to this Agreement, we will notify you of the changes, and they will be effective no sooner than fifteen days after we post them at www.att.com/services/guides. You may also request a copy of the revised Agreement, including revised AT&T Service Guides for the Services you are enrolled in, by calling AT&T toll free at 1 888 288-4099.

IF YOU CONTINUE TO BE ENROLLED IN, USE, OR PAY FOR THE SERVICES AFTER ANY CHANGES IN THE PRICES, CHARGES, TERMS OR CONDITIONS, YOU AGREE TO THE CHANGES.

10. ENROLLMENT IN ANOTHER AT&T SERVICE.

To enroll in an additional Service, or to switch from your existing Service to a different Service, you must notify us by: (1) returning an enrollment form provided in AT&T marketing materials; (2) calling the AT&T customer service number on your AT&T bill; (3) calling the AT&T customer service number provided in AT&T marketing materials; or (4) going to our Web site at www.att.com and following any further instructions provided for enrollment. The terms and conditions of this Agreement, including those in the incorporated AT&T Service Guides, will apply to the new or additional AT&T Service.

BY ENROLLING IN, USING, OR PAYING FOR THESE NEW OR ADDITIONAL SERVICES YOU AGREE TO THE PRICES, CHARGES, TERMS AND CONDITIONS IN THIS AGREEMENT.

*Customers outside the U.S. call 1 877 288-4725.
TTY for customers with hearing/speech disabilities: 1 800 833-3232.



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AT&T Consumer Services Agreement

THANK YOU FOR USING AT&T SERVICES. In this Agreement

("Agreement"), you and "your" mean the customer of the AT&T service defined below, and "AT&T," "we," "our," and "us" mean AT&T Corp., Aliso Viejo, Inc., and any AT&T affiliates authorized to provide you with AT&T services.

BY ENROLLING IN, USING, OR PAYING FOR THE SERVICES, YOU AGREE TO THE PRICES, CHARGES, TERMS AND CONDITIONS IN THIS AGREEMENT. IF YOU DO NOT AGREE TO THESE PRICES, CHARGES, TERMS AND CONDITIONS, DO NOT USE THE SERVICES, AND CANCEL THE SERVICES IMMEDIATELY BY CALLING AT&T AT 1 888 288-4099 FOR FURTHER DIRECTIONS.

"Service" or "Services" means: (1) the AT&T state-to-state and international consumer telecommunications services you are enrolled in, use, or pay for that AT&T provided to you under tariffs filed with the Federal Communications Commission as of July 31, 2001; and (2) any new or additional AT&T state-to-state and international consumer telecommunications services that you enroll in, use, or pay for, after July 31, 2001.

This Agreement does not cover AT&T local services, AT&T in-state long distance services, calls made by dialing 10-10-345, AT&T Wireless Services, AT&T Internet services, and AT&T video services. The Services covered in this Agreement are subject to billing availability and may not be available at all locations.

"AT&T Service Guides" contain the specific prices and charges, service descriptions, and other terms and conditions not set forth here that apply to each of your Services. You can review the AT&T Service Guides on our Web site at www.att.com/services/guides, or request a copy of the AT&T Service Guides for the Services you are enrolled in by calling AT&T toll free at 1 888 288-4099. * THIS AGREEMENT INCORPORATES BY REFERENCE THE PRICES, CHARGES, TERMS AND CONDITIONS INCLUDED IN THE AT&T SERVICE GUIDES.

1. CHARGES AND PAYMENT.

a. General. You agree to pay us for the Services at the prices and charges listed in the AT&T Service Guides. The prices and charges for any particular call may depend on a number of factors listed in the AT&T Service Guides, which include, for example, the duration of a call, the time of day and day of week, the distance called, and the type of service. Service types include, for example, direct-dialed from home, operator-assisted, or calling card calls. The prices and charges for the Services may also include, for example, monthly fees, monthly minimums, or connection charges.

b. Price Changes. We may change the prices and charges for the Services from time to time. We may decrease prices without providing advance notice. Increases to the prices or charges for the Services are effective no sooner than fifteen days after we post them on our Web site at www.att.com/services/guides/home. Increases to charges that recover our costs associated with government programs are effective no sooner than three days after we post the increases on our Web site (excluding taxes and surcharges under Section 1.e.). We will provide further notices of increases to the prices and charges as follows: For the Services covering direct-dialed calls from home under the state-to-state basic schedule and the state-to-state and international calling plans, we will (1) notify you of these increases by bill message or other notice; and (2) make available in advance recorded announcements of these price increases. These recordings can be obtained by calling AT&T toll free at 1 888 288-4099, 24 hours a day, seven days a week, and will be updated on the first and fifteenth day of each month.

For the following types of calls, we will provide you the prices and charges if you request this information at the time you make a call (or at the time you receive a collect call): AT&T Calling Card calls; AT&T collect calls; AT&T person-to-person calls; calls made with a commercial credit card or local

phone company calling card, call billed to a third party and other types of operator-assisted calls.

c. **Payments.** You must pay all bills or invoices on time (on or before the due date) and in U.S. money. We do not waive our right to collect the full amount due if you pay late or you pay part of the bill, even if you write the words "Paid in Full" (or similar words) on any correspondence to us.

If you make any late payments, and we bill you for the Services, we will charge you a late fee of 1.5%, which we apply to that period's charges and any outstanding charges and late payment charges that remain unpaid at the time of the next bill. If the state law where you receive the Services requires a different rate, we will apply that rate. If a local telephone company or other entity bills you for the Services on our behalf, that company's late payment charges and policies will apply.

If your check, bank draft, or electronic funds transfer is returned for insufficient funds, and we bill you for the Services, we will charge you an additional \$15. If the state law where you receive the Services requires a different fee, we will charge you that amount. If a local telephone company or other entity bills you for the Services on our behalf, that company's returned check charge and policy will apply. When payment is made by credit card, payment will also be subject to terms and conditions required by the credit card issuer.

d. **Charges and Billing.** Charges accrue through a full billing period. We may prorate or adjust a bill if the billing period covers less than or more than a full month (for this purpose, each month is considered to have 30 days). To determine the charge for each call, we round up to the next full minute for any fraction of minutes used. We will determine the format of the bill and the billing period, and we may change both the bill format and the billing period from time to time.

You are responsible for preventing the unauthorized use of the Services, and you are responsible for payment for any such unauthorized use.

e. **Taxes and Other Charges.** You must pay all taxes, fees, surcharges, and other charges that we bill you for the Services, unless you can show documentation satisfactory to us that you are exempt. Taxes and surcharges will be in the amounts that federal, state, and local authorities require us to bill you. We will not provide advance notice of charges to taxes and surcharges, except as required by applicable law.

f. **Credit Check and Deposits.** You give us permission to obtain your credit information from consumer credit reporting agencies at any time.

If we bill you for the Services and we determine that you may be a credit risk for (1) unsatisfactory credit rating, (2) insufficient credit history, (3) fraudulent or abusive use of any AT&T services within the last five years, or (4) late payments for current or prior bills, we may require a deposit (or an advance payment as permitted by state law) to ensure payment for the Services. The amount of the deposit will be no more than any estimated one-time charges required for the Services, plus three months of the estimated average per-minute charges and/or monthly fees for the Services. We will pay simple interest at the annual rate of 4% on the deposit, subject to the state law where you receive the Services. If you fail to pay for the Services when due, we may use the deposit without giving notice to you. If you pay undeposited bills by the due date for twelve consecutive billing months, we will credit the deposit to your account. If a credit balance remains on your account, we will refund or credit that amount.

g. **Credit Limits.** If we bill you for the Services, we may set a credit limit based on your payment history or your credit score from consumer credit reporting agencies. If we do this, we will notify you of your initial credit limit and all changes to your credit limit. If you exceed your credit limit, we will restrict your access to the Services, including direct-dialed, operator-assisted, and calls requiring a 900 or 976 prefix. Access to emergency services (9-1-1) will not be affected by this restriction. If you fail to make timely payments, we may also lower your credit limit.

2. SUSPENDING AND CANCELING THE SERVICES.

a. **Your Cancellation of the Services.** If you use more than one Service, you may change or cancel individual Services by calling the AT&T customer service number on your AT&T bill, subject to the applicable terms and conditions in the AT&T Service Guides. This Agreement remains in effect for any Services that you continue to be enrolled in, use, or pay for. If you want to cancel all of the Services, discontinue your use of all the Services, and call us toll free at 1 800 288-4099 for further instructions.

b. **Fraudulent Use.** You will not use the Services for any unlawful, abusive, or fraudulent purpose, including, for example, using the Services in a way that (1) interferes with our ability to provide Services to you or other customers, or (2) makes your obligation to pay for the Services. If AT&T has reason to believe that you or someone else is abusing the Services or using them fraudulently or unlawfully, we can immediately suspend, restrict, or cancel the Services without advance notice.

c. **Failure to Pay.** Upon advance notice, we may suspend, restrict, or cancel the Services and this Agreement, if you do not make payments for current or prior bills by the required due date, including payments for late fees or any other required additional charges.

d. **Other.** AT&T may from time to time discontinue certain Services, subject to applicable law and regulations.

e. **Outstanding Charges.** If Services are suspended, restricted, or canceled, any charges will accrue through the date that AT&T fully processes the suspension, restriction or cancellation. You must pay all outstanding charges for these Services, including payment of any bills that remain due after the date of cancellation. Subject to Section 7, you must reimburse us for any reasonable costs we incur, including attorneys' fees, to collect charges owed to us. If you want us to review the Services, we may require that you pay a deposit.

3. INDEMNIFICATION.

YOU AGREE THAT WE SHOULD NOT BE RESPONSIBLE FOR ANY THIRD PARTY CLAIMS AGAINST US THAT ARISE FROM YOUR USE OF THE SERVICES. FURTHER, YOU AGREE TO REIMBURSE US FOR ALL COSTS AND EXPENSES RELATED TO THE DEFENSE OF ANY SUCH CLAIMS, INCLUDING ATTORNEYS' FEES, UNLESS SUCH CLAIMS ARE BASED ON OUR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. THIS PROVISION WILL CONTINUE TO APPLY AFTER THE AGREEMENT ENDS.

4. LIMITATIONS OF LIABILITY.

THIS SECTION DESCRIBES THE FULL EXTENT OF OUR RESPONSIBILITY FOR ANY CLAIMS YOU MAKE FOR DAMAGES CAUSED BY THE FAILURE OF THE SERVICES, OR ANY OTHER CLAIMS IN CONNECTION WITH THE SERVICES OR THIS AGREEMENT.

IF OUR NEGLIGENCE CAUSES DAMAGE TO PERSON OR PROPERTY, WE WILL BE LIABLE FOR NO MORE THAN THE AMOUNT OF DIRECT DAMAGES TO THE PERSON OR PROPERTY FOR ANY OTHER CLAIM. WE WILL NOT BE LIABLE FOR MORE THAN THE AMOUNT OF OUR CHARGES FOR THE SERVICES DURING THE AFFECTED PERIOD FOR ALL CLAIMS. WE WILL NOT BE LIABLE FOR INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOST PROFITS OR REVENUE OR INCREASED COSTS OF OPERATION. WE ALSO WILL NOT BE LIABLE FOR PUNITIVE, RELIANCE OR SPECIAL DAMAGES. THESE LIMITATIONS APPLY EVEN IF THE DAMAGES WERE FORESEEABLE OR WE WERE TOLD THEY WERE POSSIBLE, AND THEY APPLY WHETHER THE CLAIM IS BASED ON CONTRACT, TORT, STATUTE, FRAUD, MISREPRESENTATION, OR ANY OTHER LEGAL OR EQUITABLE THEORY.

WE WILL NOT BE LIABLE FOR ANY DAMAGES IF SERVICES ARE INTERRUPTED, OR THERE IS A PROBLEM WITH THE INTERCONNECTION OF OUR SERVICES WITH THE SERVICES OR EQUIPMENT OF SOME OTHER PARTY. THIS SECTION WILL CONTINUE TO APPLY AFTER THE AGREEMENT ENDS.

5. WARRANTIES.

EXCEPT AS THIS AGREEMENT EXPRESSLY STATES, WE MAKE NO EXPRESS WARRANTY REGARDING THE SERVICES AND DISCLAIM ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE ALSO MAKE NO WARRANTY THAT THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. WE DO NOT AUTHORIZE ANYONE, INCLUDING, BUT NOT LIMITED TO, AT&T EMPLOYEES, AGENTS, OR REPRESENTATIVES, TO MAKE A WARRANTY OF ANY KIND ON OUR BEHALF AND YOU SHOULD NOT RELY ON ANY SUCH STATEMENT.

6. CREDIT ALLOWANCES FOR INTERRUPTIONS.

If an interruption or failure of Services is caused solely by AT&T and not by you or a third party or other causes beyond our reasonable control, you may be entitled to a credit allowance as specified in the applicable AT&T Service Guide.

7. DISPUTE RESOLUTION.

IT IS IMPORTANT THAT YOU READ THIS ENTIRE SECTION CAREFULLY. THIS SECTION PROVIDES FOR RESOLUTION OF DISPUTES THROUGH FINAL AND BINDING ARBITRATION BEFORE A NEUTRAL ARBITRATOR, INSTEAD OF IN A COURT BY A JUDGE OR JURY OR THROUGH A CLASS ACTION. YOU CONTINUE TO HAVE CERTAIN RIGHTS TO OBTAIN RELIEF FROM A FEDERAL OR STATE REGULATORY AGENCY.

a. **Binding Arbitration.** The arbitration process established by this section is governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 1-16. You have the right to take any dispute that qualifies to small claims court rather than arbitration. All other disputes arising out of or related to this Agreement (whether based in contract, tort, statute, fraud, misrepresentation or any other legal or equitable theory) must be resolved by final and binding arbitration. This includes any dispute based on any product, service, or advertising having a connection with this Agreement and any dispute not finally resolved by a small claims court. The arbitration will be conducted by one arbitrator using the procedures described by this Section 7. If any portion of this Dispute Resolution Section is determined to be unenforceable, then the remainder shall be given full force and effect.

The arbitration of any dispute involving \$10,000 or less shall be conducted in accordance with the Consumer Arbitration Rules of the American Arbitration Association ("AAA"), as modified by this Agreement, which are in effect on the date a dispute is submitted to the AAA. The AAA's Commercial Arbitration Rules and fee schedules will apply to any disputes in excess of \$10,000. You have the right to be represented by counsel in an arbitration. In conducting the arbitration and making any award, the arbitrator shall be bound by and strictly enforce the terms of this Agreement and may not limit, expand, or otherwise modify its terms.

NO DISPUTE MAY BE JOINED WITH ANOTHER LAWSUIT OR IN AN ARBITRATION WITH A DISPUTE OF ANY OTHER PERSON, OR RESOLVED ON A CLASS-WIDE BASIS. THE ARBITRATION MAY NOT AWARD DAMAGES THAT ARE NOT EXPRESSLY AUTHORIZED BY THIS AGREEMENT AND MAY NOT AWARD PUNITIVE DAMAGES OR ATTORNEYS' FEES UNLESS SUCH DAMAGES ARE EXPRESSLY AUTHORIZED BY A STATUTE. YOU AND AT&T BOTH WAIVE ANY CLAIMS FOR AN AWARD OF DAMAGES THAT ARE EXCLUDED UNDER THIS AGREEMENT.

b. **Arbitration Information and Filing Procedures.** Before you take a dispute to arbitration or to small claims court, you must first contact our customer account representatives at the customer service number on your AT&T bill for the Services, or write to us at: AT&T, P.O. Box 944078, Maitland, Florida 32794-4078, and give us an opportunity to resolve the dispute. Similarly, before AT&T takes a dispute to arbitration,



Dear AT&T Customer,

Enclosed is your copy of the new AT&T Consumer Services Agreement containing terms and conditions for our state-to-state and international consumer long distance services. This Agreement will begin to apply to these AT&T services on August 1, 2001.

In the past, AT&T filed this information with the Federal Communications Commission (FCC). In keeping with recent FCC rulings, we will instead be providing this information directly to our customers and to consumers who have used our services in the last three months.

The Agreement covers AT&T state-to-state and international consumer calling services and explains the relationship between you and AT&T, as well as each of our rights and responsibilities, including billing and payment.

The Agreement also describes our new binding arbitration process, which uses an objective third party rather than a jury for resolving any disputes that may arise.

You accept the terms of the Agreement simply by continuing to use or pay for any AT&T state-to-state or international consumer calling service.

Please be assured that your AT&T service or billing will not change under the AT&T Consumer Services Agreement; there's nothing you need to do.

AT&T Service Guides are an additional part of the Services Agreement. They contain additional terms and conditions, including the prices, for the services we currently offer. AT&T Service Guides will be available for your review at www.att.com/serviceguide/home, or you can call us at 1 888 288-4099* to request a copy of the Service Guides that apply to your current AT&T state-to-state and international consumer calling services. The AT&T Service Guides will be available no later than July 9, 2001.

For additional information, please see the questions and answers included in this package, or visit our Web site at www.att.com/serviceguide/home or call us at 1 888 288-4099.*

Thank you for using AT&T.

Sincerely,

Leonard A. Mariani
Vice President, AT&T Consumer Services

P.S. As a special opportunity, you can receive a credit of \$1 on your AT&T Long Distance bill every month! You'll also receive a \$25 Amazon.com certificate from AT&T.† Simply sign up for our convenient AT&T online billing option. For offer details and to sign up, visit www.att.com/econsumer.

*Customers outside the U.S. call: 1 877 288-4725.
TTY for customers with hearing/speech disabilities: 1 800 833-3232.
†Certain conditions apply. See www.att.com/econsumer for details.
‡This offer applies to most plans and is subject to billing availability.

U.S. District Court (Northern District of California)
Case No. C-01-2969-BZ
Case Name: TING v. AT&T
JOINT Exhibit No. 1
Date Entered 11/3/01
Signature [Signature]

Please see the other side of this page for additional information.

ATTACHMENT NO. 2

Frequently Asked Questions

Q: Why is AT&T sending me this Services Agreement?

A: AT&T and other long distance companies currently file "tariffs"—the legal word for the terms and conditions under which we provide services to our customers—with the FCC. As a result of recent FCC rulings, AT&T will no longer file tariffs for our services. These terms and conditions will now be provided in this AT&T Consumer Services Agreement. The Agreement will apply to state-to-state and international long distance services beginning August 1, 2001.

Q: Will this Services Agreement affect my AT&T service, and do I need to take any action?

A: No. The AT&T Consumer Services Agreement will have no impact on the service you receive, the price you pay for it, or your ability to change your service. You accept the terms and conditions simply by continuing to use or pay for any AT&T state-to-state or international consumer long distance service. Please retain this Agreement for future reference.

Q: Will the AT&T Consumer Services Agreement apply to other AT&T services, such as AT&T WorldNet® Service?

A: No. AT&T Internet services, AT&T Wireless Services, and AT&T video services are covered by different agreements. In addition, the Agreement does not cover AT&T local services or AT&T in-state long distance services.

Q: What are AT&T Service Guides and where can I find them?

A: AT&T Service Guides describe each of the many available AT&T services, as well as any special terms and conditions that apply. There is a separate AT&T Service Guide for each of our calling plans, detailing the plan's rates, monthly fees, and other terms. You can find the AT&T Service Guides online at www.att.com/serviceguide/home no later than July 9, 2001, or write to us at AT&T, P.O. Box 944050, Maitland, FL 32794-4050, to request specific Service Guides. You must include your telephone number, the name of your local phone company, and the name and billing address (including ZIP code) that appears on your bill. You can also request a written copy of the Service Guides that apply to the products and services that you are enrolled in by calling 1 888 288-4099.*

Q: What are your most popular long distance plans?

A: Customers choose a basic rate plan or one of our calling plans for their state-to-state and international calls from home. Basic plan calls generally have higher per-minute rates but have no monthly plan charges. Most calling plans have a lower per-minute rate but charge a monthly fee or minimum. As examples, the following rates were in effect as of April 1, 2001: AT&T One Rate® 7¢ Plan offers a rate of 7¢ per minute for state-to-state calling from home with a monthly fee of \$5.95. For state-to-state calls away from home, customers can obtain the AT&T Calling Card and pay only 25¢ per minute with a \$1 monthly fee if they select the AT&T One Rate® Calling Card Plan. If they choose not to sign up for this card plan, rates will range up to 89¢ per minute plus applicable service charges. Generally, consumers can save with our calling plans if they make a lot of long distance calls. You can check a recent phone bill to determine if you're on one of our calling plans and the rates you are paying.

Q: Does the FCC ruling cover in-state services?

A: No. Each state's laws and public utility or public service commission rules govern in-state telecommunications services. They are not affected by the FCC proceedings. In-state services will continue to be provided pursuant to state tariffs, where applicable.

Q: What types of state-to-state and international long distance calls does the AT&T Consumer Services Agreement cover?

A: The Agreement will apply to nearly all types of state-to-state and international long distance calls. These include AT&T Consumer Long Distance, AT&T Calling Card, AT&T Easy Reach 800® calls; AT&T collect, person-to-person, billed-to-third-party, and other operator-assisted calls; commercial credit card calls, and your local exchange company calling card calls placed over the AT&T Network. Calls made by dialing 10-10-345 will not be covered by this Agreement.

Q: Is there anything in this Agreement that is different from the terms and conditions filed with the FCC?

A: Yes. There are two notable changes in particular:

(1) **Binding arbitration.** Any disputes that may arise between AT&T and customers that cannot be resolved informally must now be resolved through binding arbitration (or through small claims court, if you choose). In arbitration, disputes must be decided by an objective third party rather than a jury. Arbitration is a quicker and more convenient way to settle disputes without the hassle and cost of a court case. It's in addition to the remedies consumers have through federal and state agencies.

(2) **Notification of price increases.** Effective August 1, 2001, AT&T will notify you of price increases for direct-dialed long distance calls from home that are covered under your AT&T calling plans. We will also notify you of price increases for state-to-state calls made under the basic schedule calling plans. This information will also be available in a recorded announcement on our toll-free number, 1 888 288-4099.* Announcements will be updated with future price increase information on the first and the fifteenth day of each month. In addition, all price increases for AT&T state-to-state and international consumer calling services will be posted on our Web site, www.att.com/serviceguide/home, before the increases go into effect.

*Customers outside the U.S. call: 1 877 288-4725.

TTY for customers with hearing/speech disabilities: 1 800 833-3232.



P.O. Box 944080
Maitland, FL 32794-4080

FORWARDING SERVICE REQUESTED

PRESORTED
STANDARD
U.S. POSTAGE
PAID
AT&T

ATTENTION: Important information
concerning your AT&T service enclosed.